



COUNCIL TAX REDUCTION

TOWN COUNCIL MEETING

REPORT 79/15

14 SEPTEMBER 2015

The purpose of this paper is to introduce the Isle of Wight Council's consultation on Council Tax Reduction that opened on 7 September and closes on 6 November in order that the Town Council can determine its response to it.

No. DETAIL

1) BACKGROUND

- a) On 1 April 2013 the government abolished Council Tax Benefit and made local authorities responsible for setting up their own Council Tax Reduction (CTR) Scheme as well as reducing the funding they provided towards the cost of providing up to 100% relief from paying Council Tax for qualifying householders.
- b) The government also excluded pension age claimants from being affected by any changes local authorities introduce to their own schemes to offset the reduction of their incoming funding; reductions can only be used with working age residents on low income.
- c) The IoWC has to formally adopt its CTR Scheme by 1 April of each year and the its decision will be made at its meeting of 13 January 2016.
- d) A copy of the consultation document is attached to this Report.

2) CONTEXT

- a) The consultation is clearly set in the context of the fact that the Isle of Wight Council is stated as having a projected revenue gap of £16M in its current 2016/17 Budget.
- b) It states: *the council needs to consider how it will deal with this and whether the current council tax reduction scheme (CTR scheme) is affordable and should be protected from changes.*

3) CONSULTATION OPTIONS

- a) The consultation lists nine options for change that are listed here with the estimated saving to the Isle of Wight Council of each indicated in red in square brackets.
 1. Increase the minimum payment required from all working age claimants to either 25% [£804,000] or 30% [£1,0080,000] (from the existing 20%);
 2. Removal of Family Premium for new claims (this will bring the Council Tax Reduction Scheme in line with the changes in Housing Benefit announced by Central Government) [£3,300];
 3. Reducing Backdating to 4 week (this will bring the Council Tax Reduction Scheme in line with the changes in Housing Benefit announced by Central Government) [£8,700];
 4. Taking the minimum living wage for self-employed earners after 1 years self-employment (this will bring the Council Tax Reduction Scheme broadly in line with Universal Credit being introduced by Central Government) [£374,000];
 5. To remove the blanket protection for certain claimants and to replace it by a targeted protection scheme based on Exceptional Hardship [£356.000];
 6. Reduce the capital limit from the existing £16,000 to £6,000 for all cases [£59,000];
 7. To take both Disability Living Allowance and Personal Independence Payments into account when calculating Council Tax Reduction (they are currently fully disregarded) [£206,000];

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8. Taking Child Benefit into account when calculating Council Tax Reduction (this is currently fully disregarded) [£ 3 3 0 , 0 0 0] ;
 9. To limit CTR to a maximum Council Tax Band level to either a Band B [£ 1 6 9 , 0 0 0] or Band C [£ 5 5 , 0 0 0].
- b) A combination of options does not necessarily equal the savings suggested for each of the individual options if they were to be combined.
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4) ALTERNATIVES

- a) The consultation document lists four alternatives to reducing the cost of its CTR scheme:
1. Increasing the level of council tax
 2. Reduce funding to other services
 3. Use reserves
 4. Increase income
- b) It also gives reasons why none of these are likely to be effective.
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5) RECOMMENDATIONS

- a) As the closing date of the consultation is 6 November, the Town Council's response can be considered further at its meeting of 12 October.
- b) If the Town Council considers this a matter that needs more detailed discussion it would be helpful to establish a small working group to meet with the Clerks as the basis for reporting to that meeting.
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Isle of Wight Council council tax reduction scheme 2016/17

Introduction

This consultation opens 7/09/2015 and closes on 6/11/2015

All of the local authorities within England have a difficult financial situation to manage over the next three years and will have to make savings and increase income. Part of these savings could come from reducing the amount of financial

help, provided to residents on low incomes, through the council tax reduction scheme. If these savings are not made the savings will have to be found from somewhere else.

This is a complex issue. Any decision affects more than this scheme. We would like you to read the full background information before giving your opinion.

Background information to consultation

Prior to April 2013, council tax payers could apply for council tax benefit (CTB) to help pay their council tax. Under this national scheme, council tax payers could receive benefit of up to 100 % of their council tax liability. The council then received full funding from the Government for all correct council tax benefit awards made.

Changes introduced by the Government abolished the council tax benefit scheme from 1 April 2013, and made local authorities responsible for setting up their own local council tax reduction schemes (CTR) for **working age people**. The Government also reduced the amount of funding given to councils to pay for the schemes in 2013/14.

Since 2014/15 the amount of grant received from Government to pay for CTR has been included within the general grant (revenue support grant) we receive. The amount of this grant has been significantly reduced each year and therefore there is less money available to meet the costs of CTR as well as significantly reduced resources to pay for all council services.

The CTR scheme for pension age claimants is set by Government and is not affected by any of the options set out in this consultation.

Our timetable

The council is required to formally adopt a scheme by 31 January each year to commence on 1 April of that year and to consult on any potential changes to the scheme.

Reduction in funding to local authorities

Decisions about changes to the scheme need to be considered alongside the wider challenges being faced by local authorities. The council has already suffered overall on-going government grant reductions of some £33.4 million since 2011/12 to date. We are also anticipating further grant

reductions in 2016/17, and future years that will make it increasingly difficult for the council to maintain services except for those relating to its statutory duties.

The comprehensive spending assessment that will cover the period 2016/17 to 2019/20 will be announced by the Government in late November 2015 and will set out the further austerity measures that will be imposed on public spending.

For next year's budget (2016/17) the council has a projected revenue budget gap of some £16 million. The council needs to consider how it will deal with this and whether the current council tax reduction scheme (CTR scheme) is affordable and should be protected from changes.

The Isle of Wight Council collects council tax in relation to the Isle of Wight Council, the Hampshire Police and Crime Commissioner and town and parish councils. Each receives a percentage of the overall council tax that we collect.

In 2015/16, the Isle of Wight Council will keep approximately 87% of the council tax that we collect. The Police and Crime Commissioner will keep approximately 10% and town and parish councils will keep approximately 3%. The CTR scheme reduces the amount that is due to be collected and so impacts on the finances for delivering services for the Police and Crime Commissioner, Isle of Wight Council and town and parish councils.

It follows that reducing the cost of the scheme (and so increasing the amount of council tax we collect) will benefit the precepting authorities in the same proportion as the split of council tax.

For instance, if the CTR scheme cost was reduced by £300,000 the Isle of Wight Council would benefit by approximately £261,000 and the Police and Crime Commissioner by £30,000 and for Town and Parish Councils £9,000 based on the percentages set out in the previous paragraph.

The recent budget announcements (July) by Central Government to reduce the level of benefits and tax credits available to working age claimants will increase the financial pressure on the council tax reduction scheme, as it is means tested. It is estimated that these changes will increase the costs of the council tax reduction scheme by approximately £376,000 per annum.

Who we are consulting

We want the consultation to be as wide as possible and invite responses from all interested parties including claimants and potential claimants, council tax payers, other residents businesses, town and parish councils, the voluntary sector and advocates and representative groups. We will also be consulting with the Police and Crime Commissioner who is a statutory consultee about the proposed options.

The proposals

Councils across the county have been developing proposals for the 2016/17 scheme, which take into account two

issues: how to balance the need to provide support against the continued difficult financial environment for local government; and the aim to protect or enhance any work incentives in the current scheme which, as a consequence, help to reduce the burden on the public purse.

How much the council tax reduction scheme costs

The estimated gross cost of the Isle of Wight Council CTR Scheme for 2015/16 is approximately £11 million. The Isle of Wight Council's share of this cost is around 87%, in line with the split of council tax with the Police and town and parish councils.

How much saving must we find overall

The Isle of Wight Council has a difficult financial situation to manage. For next year's budget (2016/17) the council has a projected revenue budget gap of some £16 million. Some of these savings could come from reducing the amount of help provided to residents through the CTR scheme.

Council tax reduction scheme options being considered

There are nine proposed changes being considered for the council tax reduction scheme from 1 April 2016. To see how this will affect you, please click on the case studies below.

• Option 1

Increasing the minimum payment required from all working age claimants to either 25% or 30% (from the existing 20%).

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-case-study-1

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-1-case-study-2

• Option 2

Removal of family premium for new claims (this will bring the council tax reduction scheme in line with the changes in housing benefit announced by Central Government).

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-2-case-study-1

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-2-case-study-2

• Option 3

Reducing Backdating to four weeks (this will bring the council tax reduction scheme in line with the changes in housing benefit announced by Central Government).

• Option 4

Taking the minimum living wage for self-employed earners after one years self-employment (this will bring the council tax reduction scheme broadly in line with universal credit being introduced by Central Government).

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-4-case-study-1

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-4-case-study-2

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-4-case-study-3

• Option 5

To remove the blanket protection for certain claimants and to replace it by a targeted protection scheme based on exceptional hardship.

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-5-case-study-1

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-5-case-study-2

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-5-case-study-3

• Option 6

Reduce the capital limit from the existing £16,000 to £6,000 for all cases.

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-6

• **Option 7**

To take both disability living allowance and personal independence payments into account when calculating council tax reduction (they are current fully disregarded).

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-7-case-study-1

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-7-case-study-2

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-7-case-study-3

• **Option 8**

Taking child benefit into account when calculating council tax reduction (this is currently fully disregarded).

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-8-case-study-1

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-8-case-study-2

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-8-case-study-3

• **Option 9**

To limit CTR to a maximum council tax band level – either a band B or band C.

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-9-case-study-1

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-9-band-b-case-study-2

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-9-band-c-case-study-1

www.iwight.com/documentlibrary/view/local-council-tax-support-consultation-option-9-band-c-case-study-2

These are described in the consultation questionnaire (below).

The potential savings from the proposed changes are summarised in the table below (please note that a combination of options doesn't necessarily equal the saving figures suggested for each of the individual options if they were to be combined):

| | Number of claimants impacted | Estimated saving to the Isle of Wight Council and town parish councils (90%) | Estimated saving to Hampshire Police (10%) | Estimated total saving |
|---|------------------------------|--|--|------------------------|
| Option 1 Increasing the minimum payment required from all working age claimants to either 25% or 30% (from the existing 20 %). | | | | |
| Option 1a (25%) | 4,046 | £804,000 | £89,000 | £893,000 |
| Option 1b (30%) | 4,046 | £1,080,000 | £120,000 | £1,200,000 |
| Option 2 Removal of family premium for new claimants. | 1,056 | £3,300 | £400 | £3,700 |
| Option 3 Reducing Backdating to four weeks. | 135 | £8,700 | £1,000 | £9,700 |
| Option 4 Taking the minimum living wage for self-employed earners after one years self-employment. | 541 | £374,000 | £41,000 | £415,000 |
| Option 5 To remove the blanket protection for certain claimants and to replace it by a targeted protection scheme based on exceptional hardship. | 2,972 | £356,000 | £40,000 | £396,000 |
| Option 6 Reduce the capital limit from the existing £16,000 to £6,000 for all cases. | 85 | £59,000 | £6,000 | £65,000 |
| Option 7 To take both disability living allowance and personal independence payments into account when calculating council tax reduction (they are current fully disregarded). | 729 | £206,000 | £23,000 | £229,000 |
| Option 8 Taking child benefit into account when calculating council tax reduction (this is currently fully disregarded). | 1,299 | £330,000 | £37,000 | £367,000 |
| Option 9 To limit CTR to a maximum council tax band level to either: | | | | |
| Option 9a (Band B) | 934 | £169,000 | £19,000 | £188,000 |
| Option 9b (Band C) | 246 | £55,000 | £6,000 | £61,000 |

Alternatives to reducing the amount of help provided by the council tax reduction scheme

In considering the level of financial support to be given through the council tax reduction scheme the council will consider alternative ways of funding it. All of these, however, have major constraints as indicated below.

We have considered:

1 Increasing the level of council tax

In forecasting the council's budget position and revenue budget gap of some £16 million for 2016/17, it is assumed that there will be a council tax increase of 1.99%. Any increase above this level is likely to require a public referendum, as under current regulations the council is not free to set its council tax at two % or above without one. A public referendum is costly to undertake and there is no guarantee that it would be successful.

2 Reduce funding available for other council services

The council faces a projected revenue budget gap of some £16 million in the next financial year (2016/17). The council faces having to make substantial savings in any case and the ability to make savings and meet its statutory duties is becoming more and more difficult.

3 Using the council's reserves to protect the council tax reduction scheme

As part of the council's budget strategy it is already using a significant amount of available reserves. A budget review report to full council on 2 September 2015 highlighted the council's updated financial position and because of budget pressures that there is a risk that available reserves could fall to below the minimum level required.

4 Increasing income

The ability to raise fees and charges and generate income is limited by economic and Island factors. In some areas the amount of income being attracted is falling below budgeted levels leading to increasing the budget deficit. The council needs, in any event, to increase its income to make up for the significant loss of government grant it is being faced with.

Conclusion

The council has to consider where savings will come from in order to meet the impact of the continued reductions in government grants and are therefore proposing some changes to the council tax reduction scheme to meet a small percentage of the required savings. No final decisions have been made yet and this questionnaire seeks your views and suggestions to help us design the scheme for 2016/17.

How to have your say

There is an online questionnaire – This is our preferred method for your response – go to: www.iwight.com/lcts

complete the survey attached to this form.

Or write to:

Council Tax Reduction consultation

Isle of Wight Council Offices, Broadway, Sandown PO36 9EA

Survey

The council is very keen that you have all the information you need to provide informed answers and choices. The background information explains the scheme itself and how the scheme is currently funded. It explains why the council is proposing these changes. Please confirm that you have read the background information about the council tax reduction scheme.

1 I have read the background information about the Council Tax Reduction Scheme.

☐ Yes

☐ No

**2 Should the council protect the current council tax reduction scheme?
(Should it continue to reduce council tax for eligible claimants in
the way and to the extent that it does at the moment?)**

☐ Yes

☐ No

☐ Don't know

**3 Please use the box below to make any comments you have on
protecting the council tax reduction scheme from cuts.**

As explained in the background information, the council is primarily consulting on nine proposals to change the existing council tax reduction scheme from 1 April 2016, which would reduce the cost of the scheme. Your responses are part of this consultation. Set out below are the nine proposals being considered, which would reduce the amount of support available for those people affected.

Option 1 – Increase the minimum level of payment to either 25% or 30%

Currently the council tax scheme adopted by the council requires a minimum of 20% payment for all working age claimants that are not protected¹. The principal of this option is to increase the minimum payment to either 25% or 30%.

The benefits to the council of doing this are:

- It potentially could provide the savings required in one option.
- It is a simple alteration to the scheme and simplifies the administration.

The drawbacks of doing this are:

- Working age residents currently benefiting from a council tax reduction will, in most cases, have to pay more towards their council tax than they do currently.
- Where claimants are on a low income it may be that the level of payment is high in comparison to their income, irrespective of their ability to pay.
- May increase administration in council tax recovery.

4 Do you agree, or disagree with the principle that the minimum level of payment should be increased?

- ☐ Agree ☐ Disagree ☐ Don't know

5 If you agree, what level of minimum payment should be applied?

- ☐ 25% of their council tax ☐ 30% of their council tax ☐ Don't know

6 Please use the box below for any comments regarding this option.

¹ Any working age claimant that receives any of the following has their LCTS calculated on their full council tax liability: claimants, partners or dependent children with: Disability Living Allowance Care (Higher, Middle or Lower rates); Disability Living Allowance Mobility component; Personal Independence Payments (from April 2013); Attendance Allowance; Employment Support Allowance (Support Component); Incapacity Benefit (Long Term Rate); Severe Disability Allowance; War Disablement Pension; War Widows Pension; Armed Forces Compensation Scheme payment

Option 2 – Removing the family premium for all new working age claimants

The removal of family premium from 1 April 2016 for new claims will bring the council tax reduction scheme in line with the changes in housing benefit announced by Central Government. The family premium is part of how we assess the 'needs' of any claimant and is included in their applicable amount, which is compared with their income. Family premium is normally given when a claimant has at least one dependant child or young person. Removing the family premium will mean that when we assess a claimants 'applicable amount' it would not include the family premium (currently £17.45). This change would not affect those claimants on universal credit, income support, income-related employment and support allowance or income-based jobseeker's allowance.

The benefits to the council of doing this are:

- To bring the council tax reduction scheme in line with housing benefit changes proposed by Central Government.
- It is a simple alteration to the scheme and simplifies the administration.

The drawbacks of doing this are:

- New working age residents may see a reduction in the amount of support they received.

7 Do you agree, or disagree with removing the family premium for all new working age claimants?

☐ Agree

☐ Disagree

☐ Don't know

8 Please use the box below for any comments regarding this option.

Option 3 – Reducing backdating to four weeks

Currently claims for council tax reduction from working age claimants can be backdated for up to six months where a claimant can prove that there was 'continuous good cause' that they could not claim at an earlier time. From April 2016 Central Government will be reducing the period for backdating housing benefit claims to four weeks. It is proposed that the council's council tax reduction scheme be aligned with the changes for housing benefit.

The benefits to the council of doing this are:

- To bring the council tax reduction scheme in line with housing benefit changes proposed by Central Government.
- It is a simple alteration to the scheme and simplifies the administration.

The drawbacks of doing this are:

- New working age residents may see a reduction in the amount of support they received if they are unable to claim on time.

9 Do you agree, or disagree with reducing backdating to four weeks?

☐ Agree

☐ Disagree

☐ Don't know

10 Please use the box below for any comments regarding this option.

Option 4 – Taking the minimum living wage for self-employed earners after one years self-employment (minimum income floor)

In order to align council tax reduction with universal credit, the council proposes to use a minimum income floor (MIF) for those who are self-employed. This would be in line with the UK minimum living wage, for 35 hours worked per week. This MIF would not apply for a designated start-up period of one year from the date of the start of the businesses in order to allow a period to establish a business. In effect this means that if you are self employed and you have been in business for at least a year, when calculating your council tax reduction, the council will assume you have a gross weekly earnings of at least the minimum living wage multiplied by 35 hours per week. If your self-employed gross income received is more than the MIF, then your actual self-employed income gross figure will be used in the assessment.

The benefits to the council of doing this are:

- The treatment of income for self-employed claimants for council tax reduction will be brought broadly into line with Universal Credit.
- It should encourage self-employed working age claimants to grow and expand their business.

The drawbacks of doing this are:

- Where a working age claimant is self-employed and continues to run a business where their income is below the minimum living wage level, the council will assume they earn at least the minimum level (based on a 35 hour week) regardless of the hours they actually work.

11 Do you agree, or disagree with the principle that claimants who are self employed for more than one year should have a minimum income floor applied to their claim?

☐ Agree

☐ Disagree

☐ Don't know

12 Please use the box below for any comments regarding this option.

Option 5 – Remove the blanket protection for certain claimants and to replace it by a targeted protection scheme based on exceptional hardship

Currently the following groups are protected from any changes irrespective of their level of income – claimants, partners or dependent children with:

- disability living allowance care (higher, middle or lower rates);
- disability living allowance mobility component;
- personal independence payments (from April 2013);
- attendance allowance;
- employment support allowance (support component);
- incapacity benefit (long-term rate);
- severe disability allowance;
- war disablement pension;
- war widows pension;
- armed forces compensation scheme payment

The option would remove the blanket protection policy and move to a targeted scheme whereby individual cases would be looked at on their own merit. This would:

- provide a greater flexibility to the authority to target protection to those that needed it the most;
- enable a move away from a 'blanket' policy;
- allow for savings to be made.

The benefits to the council of doing this are:

- It is a targeted exceptional hardship scheme that can be adapted to meet individual circumstances as the current blanket protection takes no account of individual circumstances and ability to pay.

The drawbacks of doing this are:

- Some claimants may receive less council tax reduction than at present.

13 Do you agree, or disagree that the blanket protection for certain claimants should be replaced by a targeted protection scheme based on exceptional hardship?

☐ Agree

☐ Disagree

☐ Don't know

14 Please use the box below for any comments regarding this option.

Option 6 – Reduce the capital limit from the existing £16,000 to £6,000 for all cases

At present, residents with savings, capital and investments of more than £16,000 are not entitled to any council tax reduction. Under the proposed new scheme; this limit could be reduced to £6,000. This change would effect any working age claimant not in receipt of either income support, income-based job seekers allowance, income-related employment support allowance.

The benefits to the council of doing this are:

- Only those working age residents, (not in receipt of the benefits specified above) with at least £6,000 in savings will be affected. There will be no affect to residents who have less savings or those in receipt of either income support, income-based job seekers allowance, income-related employment support allowance.
- It is a simple alteration to the scheme and simplifies the administration.

The drawbacks of doing this are:

- Where a working age resident has in excess of £6,000 in savings (and is not in receipt of a specified benefit), no reduction whatsoever will be payable. Currently the scheme would allow, where other income was low, for some support to be provided, although the higher the level of savings the less reduction is granted.

15 Do you agree, or disagree with the principle that the capital limit should be reduced to £6,000?

☐ Agree

☐ Disagree

☐ Don't know

16 Please use the box below for any comments regarding this option.

Option 7 – To include both disability living allowance and personal independence payments in the calculation for council tax reduction

This option is proposed to take both disability living allowance and personal independence payments into account when calculating council tax reduction (they are currently fully disregarded as income in the calculation of council tax reduction).

The benefits to the council of doing this are:

- It will include all income received by the claimant or their partner in the calculation for council tax reduction.

The drawbacks of doing this are:

- Both of these benefits are excluded from all other means tested benefits/reductions and would add an expensive administration burden.
- Depending on the level of the income, the claimant may receive less council tax reduction than at present.
- It does not have any consideration to the costs associated with any disability needs of the claimant, their partner or dependent child.

17 Do you agree, or disagree with the principle that both disability living allowance and person independence payments should be included as income within the scheme?

☐ Agree

☐ Disagree

☐ Don't know

18 Please use the box below for any comments regarding this option.

Option 8 – taking child benefit into account when calculating council tax reduction

Taking child benefit into account when calculating council tax reduction (this is currently fully disregarded).

The benefits to the council of doing this are:

- It will include all child benefit received by the claimant or their partner in the calculation for council tax reduction.
- It will provide significant savings.
- It is administratively straightforward.

The drawbacks of doing this are:

- Child benefit is excluded from all other means tested benefits/reductions.
- Depending on the level of the income, the claimant may receive less council tax reduction than at present.

19 Do you agree, or disagree that we should take child benefit into account when calculating council tax reduction?

☐ Agree

☐ Disagree

☐ Don't know

20 Please use the box below for any comments regarding this option.

Option 9 – Council tax band cap

To limit council tax reduction to a maximum council tax band level to either a band B or band C.

The benefits to the council of doing this are:

- It will provide savings to the scheme.
- It is administratively straightforward.

The drawbacks of doing this are:

- Claimants who live in higher banded premises may be affected.

21 Do you agree, or disagree that we should limit council tax reduction to a maximum council tax band level to either a band B or band C?

☐ Agree

☐ Disagree

☐ Don't know

22 If you agree, to what band level should be applied?

☐ Band B

☐ Band C

23 Please use the box below for any comments regarding this option.

In considering the level of financial support to be given through the council tax reduction scheme the council will consider alternative ways of funding it. All of these however, have major constraints as indicated below.

1 Increasing the level of council tax

In forecasting the council's budget position and revenue budget gap of some £16 million for 2016/17 it is assumed that there will be a council tax increase of 1.99%. Any increase above this level is likely to require a public referendum as under current regulations the council is not free to set its council tax at 2% or above without one. A public referendum is costly to undertake and there is no guarantee that it would be successful.

2 Reduce funding available for other council service

The council faces a projected revenue budget gap of some £16 million in the next financial year 2016/17. The council faces having to make substantial savings in any case and the ability to make savings and meet its statutory duties is becoming more and more difficult.

3 Using the council's reserves to protect the council tax reduction scheme

As part of the council's budget strategy it is already using a significant amount of available reserves. A budget review report to full council on 2 September 2015 highlighted the council's updated financial position and because of budget pressures that there is a risk that available reserves could fall to below the minimum level required.

4 Increasing income

The ability to raise fees and charges and generate income is limited by economic and Island factors. In some areas the amount of income being attracted is falling below budgeted levels leading to increasing the budget deficit. The council needs, in any event, to increase its income to make up for the significant loss of government grant it is being faced with.

24 Do you think we should choose any of the following options rather than the suggested options to change the council tax reduction scheme? (Please select one answer for each source of funding)

| | | | |
|---|------------------------------|-----------------------------|-------------------------------------|
| Increase the level of council tax: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know |
| Find savings by cutting other council services: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know |
| Use the council's reserves (savings): | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know |
| Increasing income: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know |

25 If the council were to choose these other options to make savings, what would be your order of preference? (Please rank in order of preference where 1 is the option that you would most prefer and 4 is the least)

| | |
|--------------------------|---|
| <input type="checkbox"/> | Increase the level of council tax: |
| <input type="checkbox"/> | Find savings by cutting other council services: |
| <input type="checkbox"/> | Use the council's reserves (savings): |
| <input type="checkbox"/> | Increasing income: |

26 Please use the space below if you would like the council to consider any other options.

27 Please use the space below if you would like the council to consider any other options.

28 If you have any further comments or questions to make regarding the council tax reduction scheme that you haven't had the opportunity to raise elsewhere, please use the space below.

About you

We ask these questions:

- 1 To find out if different groups of people in the Isle of Wight population have been able to take part in the consultation and identify if any groups have been excluded. This means it is not about you as an individual but to find out if people with similar characteristics have had their say.
- 2 To find out if different groups of people feel differently about the options and proposals in comparison to each other and all respondents. This means it is not about you as an individual but to find out if people with similar characteristics have answered in the same way or not.

This information is completely confidential and anonymous. Your personal information will not be passed on to anyone and your personal details will not be reported alongside your responses.

29 Are you, or someone in your household, getting a council tax reduction at this time?

☐ Yes ☐ No ☐ Don't know/Not sure

30 Please tell us your gender.

☐ Male ☐ Female ☐ Prefer not to say

31 Are you pregnant or have recently given birth?

☐ Yes ☐ No ☐ Prefer not to say

33 What age group do you belong to?

☐ Under 16 ☐ 16 to 24 ☐ 25 to 34 ☐ 35 to 44 ☐ 45 to 54 ☐ 55 to 64
☐ 65 to 74 ☐ 75 and over ☐ Prefer not to say

32 What is your marital status?

☐ Single ☐ Co-habiting ☐ Separated
☐ Married ☐ Divorced ☐ Prefer not to say
☐ Civil partnership ☐ Widowed ☐ Other (*please specify*)

34 Do you consider yourself to have a disability, or a longterm illness, physical or mental health conditions?

(The Disability Discrimination Act 1995 and the Equality Act 2010 define a person as disabled if they have a physical or mental impairment, which has a substantial and long term effect (ie, has lasted or is expected to last at least 12 months) and has an adverse effect on the person's ability to carry out normal daytoday activities).

☐ Yes ☐ No ☐ Prefer not to say

35 Which of the following options best describes how you think of yourself?

☐ Heterosexual ☐ Homosexual ☐ Bisexual
☐ Prefer not to say ☐ Other (*please specify*)

36 Have you undertaken, or are you undertaking, gender reassignment?

☐ Yes ☐ No ☐ Prefer not to say

37 To which of these groups do you consider you belong to?

- | | | |
|--|---|--|
| <input type="checkbox"/> White British | <input type="checkbox"/> Asian – British | <input type="checkbox"/> Black – Caribbean |
| <input type="checkbox"/> Irish | <input type="checkbox"/> Indian | <input type="checkbox"/> Black – African |
| <input type="checkbox"/> White European | <input type="checkbox"/> Pakistani | <input type="checkbox"/> Chinese |
| <input type="checkbox"/> White – Black Caribbean | <input type="checkbox"/> Bangladeshi | <input type="checkbox"/> Arab |
| <input type="checkbox"/> White – Black African | <input type="checkbox"/> Black – British | <input type="checkbox"/> Prefer not to say |
| <input type="checkbox"/> White and Asian | <input type="checkbox"/> Black – European | <input type="checkbox"/> Other (<i>please specify</i>) |

38 Do you have a religious belief?

- ☐ Yes (*please specify*) ☐ No ☐ Prefer not to say

Thank you

Thank you for completing this survey, your response has been recorded.

We will listen carefully to what residents tell us. The consultation results will be considered alongside other evidence and information at the full council to make the final decision on the 2016/17 scheme.

Following the decision, the full results from the consultation will be available at iwight.com.

The new scheme will start on 1 April 2016. The council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.

Once completed please return your questionnaire no later than **6 November 2015** to:

**Council Tax Reduction Consultation
Isle of Wight Council Offices,
Broadway,
Sandown
PO36 9EA**